101ST CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
101-754

CONTINUING RESOLUTION, 1991

SEPTEMBER 25, 1990.--Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. WHITTEN, by direction of the Committee on Appropriations, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.J. Res. 655]

The present situation is that the House of Representatives has passed 10 of its 13 regular fiscal year 1991 appropriations bills and the Senate has passed five. It is apparent that there is not time to complete congressional action on these bills and have them signed by the President before the beginning of the fiscal year, October 1st.

Not to enact this continuing resolution to continue the government would be disastrous in view of the current law, where sequestration will be triggered in order to meet the Gramm-Rudman deficit reduction target. An initial Presidential sequestration order was issued on August 25, 1990. It requires the withholding of funds beginning October 1st.

The effect of that order calling for sequestration would reduce current operations, programs, and projects by an estimated 30 percent, and would be disastrous not only to the Nation's economy, but would cause a breakdown of government—air safety, meat inspection, law enforcement, war on drugs, education, health, housing, veterans, research, and revenue collection. It would have a dangerous impact on a weak economy. Its effect on the Department of Defense during Operation Desert Shield could not be tolerated. For these reasons and others that are spelled out later in this report, this continuing resolution suspends sequestration.

H183-14

Appropriations Not the Problem

Appropriations bills are not what caused the problem. Since 1945, the total of appropriations bills has been below budget requests by $173 billion. During that same period, entitlements and binding contracts, which are not discretionary, have increased by five times.

Need for Flexibility

We must reserve the ability to meet emergency national needs, regardless of budget targets, as we did for the Hurricane Hugo and Loma Prieta/San Francisco earthquake natural disasters, the war on drugs, veterans medical care and, as we do here, for Operation Desert Shield.

Summary of the Resolution

In Title I, the accompanying joint resolution provides temporary, restrictive financing for the fiscal year 1991 which begins October 1, 1990, for programs covered under the 13 regular appropriations bills. The provisions of this continuing resolution apply until October 20, 1990, or until the regular annual appropriations bills are enacted into law, whichever comes first. Additionally, implementation of any sequestration order is suspended until October 20, 1990, the expiration date of this resolution.

In Title II, the resolution provides supplemental fiscal year 1990 funding for Operation Desert Shield.

TITLE I—CONTINUING APPROPRIATIONS

Basis for the Continuing Resolution

This continuing resolution provides funding for the 13 regular appropriations bills at restrictive rates of operation for an interim period to allow for the continuous operation of the Government until October 20, 1990, or until final appropriations decisions for fiscal year 1991 are agreed upon by the Congress and enacted into law. Continued operation of the Government would occur under the current terms and conditions that are in effect during fiscal year 1990.

Necessity to Suspend Sequestration

Currently, the economy is weakening. The country is sustaining an economic shock made worse by oil price increases. The cost of Operation Desert Shield in Saudi Arabia is putting additional pressure on the deficit. The Congress and the Administration are working to address these problems, but the actions needed to work out this situation have not yet been implemented.

The Balanced Budget and Emergency Deficit Control Act recognizes that when the economy is weak, special circumstances regarding sequestration are required. Provisions included in that Act establish a procedure for the suspension of sequestration in these circumstances. Clearly, the economy has been weakening in the last several quarters. Examples indicative of this weakness are rising unemployment, fewer construction starts, a drop in retail

sales, declines in industrial production, and increases in the consumer price index. Reports in the press indicate some regions of the country are already in recession.

The effect of the pending sequestration on domestic programs is massive. It would result in needless impact on a weak economy, if it were implemented, not to mention the impact on the Department of Defense during Operation Desert Shield.

As pointed out earlier the cause of the increase in the projected budget deficit is not the result of actions of the Committee on Appropriations. We have met our targets for the most part in recent years. Those places where we exceeded them were for things like earthquake relief, hurricane relief, the war on drugs, and for emergency shelter programs. Despite these few times the Committee's targets were exceeded, the final total appropriations have been $173 billion under the total of presidential requests since 1945.

Sequestration Impacts

Following is a sampling of the Administration's assessment of the impact of a $100 billion sequestration, an amount under the estimated final sequester level. It is apparent that vital programs would be devastated, and the resulting chaos would have a drastic impact on the country. This information is provided to further document the need to suspend sequestration.

AIR SAFETY

Immediate impacts would occur in activities such as the hours of operation at virtually all airport control towers and, therefore, the number of flights between cities would be reduced. The air traffic control system would turn into chaos. Reductions of this magnitude would unquestionably require the airlines to cancel numerous scheduled flights with negative financial consequences for the airline industry. Over 100 control towers would have to be taken out of service or the hours of operation drastically reduced. Reductions in safety inspectors and security staff, including Federal air marshals, would result in fewer scheduled inspections of aircraft and airports.

MEAT INSPECTION

A sequester would result in the absence of inspection services and the shutting down of meat and poultry slaughter and processing plants for about 140 days.

Meat and poultry legislation requires carcass-by-carcass inspection by Federal inspectors in establishments slaughtering food animals. All plants engaged in further processing of meat and poultry must also be inspected by Federal inspectors. Since meat packing plants cannot operate without these Federal inspectors, the meat and poultry slaughter and processing industry would be forced to limit or curtail production by the same extent that inspectors are not available. The meat and poultry industry employs over 400,000 people at 7,800 meat and poultry plants and has an annual retail value of more than $100 billion. Many thousands more people are employed in the breeding, raising, transportation, storage, and distribution of food animals. The economic loss from any shutdown

due to a sequester would result in the loss of billions of dollars to the American economy.

LAW ENFORCEMENT

A sequester would prevent litigation of the crime and financial institution fraud initiatives in 1990 in the U.S. Attorneys Offices. Other important areas that would be affected are prosecutions of narcotics cases, bankruptcy and procurement fraud cases, and other criminal fraud cases. U.S. Attorneys would be forced to abandon 25 percent of all ongoing litigation designed to obtain criminal convictions against violators of substance abuse, immigration and civil rights laws, organized criminal groups, and tax evaders. Loss of attorney time would slow down efforts to recover monies from failed institutions resulting from saving and loan and bank fraud violations. All ongoing activities for collecting monies owed to the Government would be limited. Litigation designed to defend the Government from substantial monetary losses as a result of other types of fraud would be reduced.

Funding financial fraud and crime investigations would be reduced. Prosecution of those who have perpetrated savings and loan institutions fraud programs would be slowed. Foreign counterintelligence and drug programs would be diminished substantially. Organized crime investigations would be cut by 20 percent from planned 1991 levels.

A sequester would prevent newly constructed prisons with 3,315 beds from becoming operational, and force the movement of 6,595 prisoners out of non-Federal contract facilities into the Government's already overcrowded facilities, increasing overcrowding to well over 89 percent from the current level of about 70 percent. Virtually every program available to inmates within the prisons (e.g., rehabilitative and educational) would be eliminated, thereby causing a "lock down" on all institutions and inviting inmate idleness, violence, and court intervention.

A sequester would lead to major influxes of illegal aliens that were common prior to the enactment of the Immigration Reform and Control Act in 1986.

A sequester would reduce Customs Service canine enforcement teams, money laundering investigations, and financial integrity, and an estimated $1 billion in revenue would be lost due to lack of adequate processing controls. Contraband entries would expand and the war against drug imports would be severely hampered.

A sequester in the Judicial Branch would have the following effects: 30 percent of Federal defenders' cases and 100 percent of panel attorney cases would be dismissed for failure to provide counsel, or counsel would be appointed without compensation; funds would not be available for fees of jurors for civil trials, denying the public their right to a civil jury trial; funds would not be available for fees of jurors for approximately two months of the year for criminal trials; and testing and treatment of 19 percent of drug offenders would be terminated.

WAR ON DRUGS

In some cities and rural areas, the Drug Enforcement Administration would simply have no presence. All State and local programs such as task forces, training, and laboratory support would be eliminated.

A sequester would reduce domestic marijuana eradication programs, foreign cooperative investigations, domestic enforcement programs, and intelligence activities.

Activities that address the demand side of the war on drugs—research, prevention, and treatment—would be reduced by over one-third.

AGRICULTURAL STABILITY

Checks written during harvest time to farmers who place crops under loan would be reduced by about $2.3 billion in 1991 and 1992. Approximately 300,000 commodity loans and 9,000,000 deficiency payments are currently issued through the Commodity Credit Corporation. The average deficiency payment for the 1989 feed grain crop was $4,363 and the average for all commodity loans was $13,771. A sequester would reduce the average deficiency payment by $1,658 and the average commodity loan by $5,233.

SAFETY OF GOVERNMENT NUCLEAR FACILITIES

A sequester would defer operating safety and environmental measures that are now being instituted for assured safe operation of the tritium production nuclear reactors used in the defense program. The maintenance of facilities in safe and secure conditions (even with no production) could be somewhat compromised.

INDIAN EDUCATION

At least half (about 80) of Bureau of Indian Affairs' schools would close and the school year would have to be shortened for the remaining schools.

EDUCATION

In the major discretionary student aid education program, a sequester would eliminate Pell grants to 1.2 million students, at an average grant of $1,000, and reduce all remaining grants (2.2 million recipients) by $320 each, or 22 percent of the average grant under the 1991 request.

SOCIAL SERVICES

A sequester would sharply reduce service to the public, including approximately 1,000,000 children who would not be vaccinated for polio, measles, mumps, rubella, haemophilus influenza b, diphtheria, tetantus, and pertussis. The number of births monitored for changes in the incidence of birth defects would decrease by 60,000; and approximately 200 disease outbreaks would not be investigated. A sequester would lengthen the drug review process, suspend efforts to make experimental therapies available to patients with no therapeutic alternatives, and reduce inspection of foods, drug devices, and imports.

Timely payment of Social Security and Supplemental Security Income benefits to some new applicants could be threatened.

A sequester would result in a reduction of $715 million from the budget for Head Start (this would fund the enrollment of 108,400 fewer poor four-year-old children from the planned 548,800); and a reduction of $163 million from the budget in grants to support meals for the elderly (this would fund 106 million fewer meals from the planned 258,740,000).

In the area of housing, a sequester would cut the number of new subsidized households assisted from 82,000 in the budget to 45,000 after the sequester.

A sequester would terminate National Science Foundation support to roughly 28,000 individuals, including senior investigators.

VETERANS

A sequester in the area of veterans programs would require significant reductions in purchases of medical and other supplies and equipment, prevent the opening of new facilities, reduce medical care staff years by 15,600 or eight percent, reduce the number of incidents of care provided to veterans by 2.0 million and reduce bed levels (by 350) and clinical services in all proposed construction and renovation projects (medical centers, regional offices, and cemeteries).

TRANSPORTATION

The announced sequester would have serious negative repercussions for transportation safety, construction, and law enforcement programs. Safety inspections of motor carriers, railroad track and equipment, hazardous materials carriers, airlines, cruise ships, and cargo vessels would be seriously curtailed. Such important programs as: Motor carrier safety, interstate construction, highway bridge replacement, highway safety research, Coast Guard operations, Coast Guard pollution cleanup, Coast Guard training, boat safety, pipeline safety, mass transit construction, essential air service subsidies, air security and terrorism prevention activities, and airport construction would be reduced by 30 percent or more.

A sequester would result in a 40 percent reduction in scheduled safety inspections of railroad track, bridges, equipment, and operations.

NATURAL RESOURCES

Timber sales of Federal forest lands could decline to below eight billion board feet. Receipts to the Treasury and to States and counties would decline significantly.

Emergency efforts for eradication of the Mediterranean fruit fly and of the grasshopper would be ended.

On completed water resources projects, the recreation season will be shortened, recreational and other dredging will be deferred, and the number of shifts employed for the operation of the locks on the Inland Waterways System will be constrained.

A sequester would reduce the accuracy of revenue collections of royalties from minerals production on Federal lands and would

reduce inspection of mineral leases and result in reduced revenues from Indian and Federal leases.

A sequester would result in 27,400 fewer mine inspections and delays in processing unemployment insurance claims.

A sequester would severely and adversely affect keeping National Parks safe and open to the visiting public. Park operating funds would be reduced to levels available in the mid-1970's. There has been significant expansion of the park system since that time. Many of these newer and smaller units would be closed to permit the "Crown Jewels" (e.g., Yellowstone, Yosemite, and the Grand Canyon) to remain open to the public.

REVENUE LOSSES

A sequester would primarily affect revenue-gathering enforcement activities of the Internal Revenue Service with an estimated revenue loss of $8.5 billion.

SPACE PROGRAM

The Space Station would be canceled. The 10 planned shuttle flights during 1991 would be postponed or canceled. The eleven missions planned for 1992 would also have to be postponed or canceled, effectively suspending Shuttle operations until 1993.

STATUS OF APPROPRIATIONS BILLS

The House Committee on Appropriations began hearings on the fiscal year 1991 appropriations bills on January 29, 1990. It took testimony from nearly 4,900 witnesses on 280 hearing days, which is printed in 90 hearing volumes (over 97,000 pages).

House of Representatives action to date follows:

Energy and Water Development	June 19
Commerce-Justice-State	June 26
Foreign Operations	June 27
VA-HUD-Independent Agencies	June 28
Transportation	July 12
Treasury-Postal Service	July 13
Rural Development/Agriculture	July 18
Labor-HHS-Education	July 19
District of Columbia	July 26
Military Construction	July 30

Legislative, Interior, and Defense bills have not yet been acted on.

Senate action to date follows:

Energy and Water Development	Aug. 2
Transportation	Aug. 4
Treasury-Postal Service	Sept. 11
District of Columbia	Sept. 18
Rural Development/Agriculture	Sept. 25

Military Construction, Commerce-Justice-State, Labor-HHS-Education, VA-HUD-Independent Agencies, Foreign Operations, Legislative, Interior, and Defense bills have not yet been acted on.

This resolution provides for the continued operations of the Government until October 20, 1990, if necessary.

It provides for the operations of every Department or agency where the regular appropriations Act for fiscal year 1991 has not become law, at the following rates:

(Those at the current rate.)
- Interior
- Legislative

(Those at the House or current rate, whichever is lower.)
- Commerce-Justice-State
- Foreign Operations
- Labor-HHS-Education
- Military Construction
- VA-HUD-Independent Agencies

(Those at the House or Senate rate, whichever is lower.)
- Energy and Water
- District of Columbia
- Rural Development/Agriculture
- Transportation
- Treasury-Postal Service

(Those at a specified rate.)
- Defense

While this resolution covers the entire Government, each Department or agency comes out from under its operation upon the regular appropriations Act becoming law.

Levels of Funding Under the Resolution

This resolution is necessary in order to provide continuing authority for existing Federal activities for which regular annual appropriations bills will not be enacted when the new fiscal year begins on October 1, 1990. The authority conveyed by the resolution is necessary to provide funding for the period between September 30 and October 20, 1990, or the time when the applicable appropriations Acts for the fiscal year 1991 are signed into law.

The resolution follows the basic form and concept of similar resolutions in prior years. It is effective until October 20, 1990, but its applicability to the various Federal programs ceases as the regular appropriations bills are signed by the President.

In summary, the resolution provides restrictive funding for 13 appropriations measures depending on their legislative status as of October 1, 1990, under the formula that specifies that when the particular appropriations bill has passed both Houses, and the amount as passed by the House is different than that as passed by the Senate, the project, or activity is continued under the lesser amount or more restrictive authority. When provision is made for a program in only one version of a bill as passed by both the House and the Senate, the rate of operations shall not exceed the current rate or the rate provided by the one House, whichever is lower. When the particular appropriations bill has passed only the House, the rate of operation for a particular program shall not exceed the current rate or the rate provided by the House, whichever is lower. When provision is not made for a particular program in a bill that has passed only the House and that program was funded in fiscal year 1990, the program shall be continued at the current rate. When a bill has not passed either the House or the Senate, pro-

grams under these bills shall be continued at the current rate, except for programs in the Defense bill, which is continued at a special rate.

The level of funding provided in this resolution for activities contained in the Department of Defense Appropriations Act is not to exceed an annual rate for new obligational authority of $262,969,000,000 which is the current Subcommittee subdivision allocated consistent with the House passed budget resolution. The Committee directs that the Department of Defense not terminate any program, project or activity until Congress has had an opportunity to act on any such termination proposal in connection with the consideration of the fiscal year 1991 budget process.

Termination Date

Section 108 of the resolution provides that funds made available by this resolution continue to be available until October 20, 1990, unless the regular appropriations Acts are enacted before that date.

The Committee continues to be dedicated to the principle of financing Federal programs under the traditional authorization and appropriations process which includes individual appropriations bills. Therefore, it will continue its efforts to get regular bills enacted as soon as possible.

The Committee emphasizes that when regular bills are signed into law, the provisions of the continuing resolution automatically disengage and the regular appropriations bills then become the funding device. This continuing resolution in no way precludes subsequent enactment into law of the regular appropriations bills.

Continuation of Foreign Assistance Programs

It is the intention of the Committee that programs such as the Trade Credit Insurance Program, Administration of Justice, War Reserve Stockpiles and other programs operating by specific authorities granted in the Foreign Assistance, Export Financing and Related Programs Act for fiscal year 1990 shall continue to operate during the period of the continuing resolution.

DOD Reimbursement to VA

The Committee is aware that the Department of Veterans Affairs will play an integral role in providing emergency medical care should the Department of Defense require immediate and potentially massive support for American military casualties from the Persian Gulf. The Committee expects that DOD will provide prompt reimbursement for such services, in order that services to eligible veterans not be curtailed.

Furlough of Government Employees

The Committee has included language which would suspend any order on sequestration until October 20, 1990, the duration of this resolution. The Committee therefore expects that no reduction in force or furlough with respect to any employee of the United States, or any reduction in the rate of basic pay for any such em-

ployee, shall be necessasry if such action be due to an order issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

Foreign Credit Report

The Committee directs the Secretary of the Treasury to report to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives the amounts due and unpaid 365 days or more on foreign credits of the United States Government as of December 31, 1990. Such report shall identify each debtor nation and the amount of the debt, including principal and interest, and shall be provided to the Committees not later than February 20, 1991.

Foreign Military Sales Debt Forgiveness

The Committee agrees with the proposed objective of the President, but has deferred final action on the Administration's request to forgive $6,700,000,000 in Foreign Military Sales debt for Egypt at this time. The Committee fully recognizes the significant role that Egypt is playing in the current Persian Gulf crisis, the dire economic situation it was facing prior to that crisis, and the need to respond to the problem Egypt faces. However, the Committee believes that the Administration needs additional time to make its case and to review alternative approaches before a final decision is reached.

The Committee recommends exempting Egypt from the provision of the "Brooke-Alexander Amendment", which is Section 518 of the fiscal year 1990 Foreign Operations, Export Financing and Related Programs Appropriations Act, through December 31, 1990. This waiver of the "Brooke-Alexander Amendment" will permit United States foreign assistance to continue to Egypt, regardless of their ability to make payments on their outstanding debt.

Extension of Certain Medicare Hospital Payment Provisions

Section 115 provides for a delay of 20 days in the effective dates of two provisions of law related to the method of payment for hospitals under the Medicare program. Under current law, payment methodology provisions related to area wage indexing and regional floor standardized amounts would be changed effective October 1, 1990. On September 25, 1990, the Chairman of the Ways and Means Committee wrote to the Appropriations Committee asking that the effective date of these provisions be delayed for three weeks in this continuing resolution in order to allow his Committee to modify the basic law through the reconciliation process. This change is necessary to avoid confusion regarding Federal payments during the period between October 1 and the date of enactment of a 1991 Reconciliation Act.

Financing Desert Shield and the Savings and Loan Bailout

The Nation cannot finance the military buildup in response to the situation with Iraq, estimated to cost up to $15 billion for fiscal

year 1991 as a part of our regular annual financing from annual operations accounts. It must be handled and financed separately.

Since a special tax to finance this national security problem on a pay-as-you-go basis has been termed too severe on an already weak economy, this effort must be paid for over several years and financed separately particularly of Operation Desert Shield and the Savings and Loan Bailout.

Attention is called to the Liberty Loan Acts passed by the Sixty-Fifth Congress, where such a course was followed. Within available funds, the Secretary of the Treasury shall promptly prepare and submit to Congress a report that would present a plan showing how this situation could be handled and financed. The plan should include issuing bonds due over a period of years, the first due perhaps in 3 to 5 years.

The same situation applies to the savings and loans bailout problem which is estimated to cost in present terms, nearly $250 billion, according to CBO. Here again, the Secretary of the Treasury shall prepare and submit to Congress a similar study and plan for handling and financing the savings and loan obligation.

The payment and cost of these extraordinary matters should be accounted for outside and apart from the other government financing, and the current laws, limitations, regulations, policies, and practices controlling government fiscal practices should not apply to these extraordinary matters.

Other Technical Provisions of Title I of the Resolution

The accompanying joint resolution carries the usual necessary technical provisions including those relating to obligations or expenditures made during the duration of the continuing resolution, and modification of apportionment procedure to accommodate certain existing provisions of law. As mentioned earlier, this resolution suspends sequestration during its effective period.

Compliance with Resolution

It is essential that officials responsible for administering programs during the period covered by the resolution take only the limited action necessary for orderly continuation of existing projects and activities, preserving to the maximum extent possible the flexibility of Congress in arriving at final decisions. Accordingly, the rates of operation for programs and activities under the resolution are to be interpreted as ceilings and not as mandatory spending levels. This is necessary in order to preserve Congressional prerogatives in the course of the regular authorization and appropriations process. The Committee expects that departments and agencies will carefully avoid the obligation of funds for specific budget line items or program allocations on which Congressional committees may have expressed strong criticism, at rates which would impinge upon discretionary decisions otherwise available to the Congress.

TITLE II—SUPPLEMENTAL APPROPRIATIONS FOR OPERATION DESERT SHIELD

Summary of Committee Action

The Committee considered supplemental requests to cover the costs of Operation Desert Shield totalling $2,063,500,000, consisting of $1,888,463,000 in new obligational authority and transfers of $175,037,000. The Department of Defense also plans to absorb an additional $652,000,000 within funds available to the Department.

The Committee recommends appropriations totalling $2,027,663,000 and transfers of $75,037,000 for a total of $2,102,700,000. A table showing the Committee action by appropriation follows:

OPERATION DESERT SHIELD

[In thousands of dollars]

Appropriation	Request	Recommended	Difference
Military personnel, Army	115,500	123,100	+7,600
Military personnel, Navy	39,900	44,500	+4,600
Military personnel, Marine Corps	29,300	33,700	+4,400
Military personnel, Air Force	73,400	77,000	+3,600
Reserve personnel, Army	2,700	2,700	.....
Subtotal	260,800	281,000	+20,200
Operation and maintenance, Army	643,963	643,963	.....
(Transfer of funds)	(75,037)	(75,037)	.....
Operation and maintenance, Navy	279,400	279,400	.....
Operation and maintenance, Marine Corps	47,300	47,300	.....
Operation and maintenance, Air Force	320,300	320,300	.....
Operation and maintenance, Defense Agencies	18,200	18,200	.....
Operation and maintenance, Air Force Reserve	12,300	12,300	.....
Operation and maintenance, Air National Guard	6,200	6,200	.....
Subtotal	1,327,663	1,327,663	.....
(Transfer)	(75,037)	(75,037)	.....
Other procurement, Army	.....	10,000	+10,000
Research, development, test, and evaluation, Navy	.....	9,000	+9,000
Defense Stock Fund	300,000	400,000	+100,000
(Transfer of funds)	(100,000)	.....	(−100,000)
New appropriations	1,888,463	2,027,663	+139,200
(Transfer of funds)	(175,037)	(75,037)	(−100,000)
Total	2,063,500	2,102,700	+39,200

The Department plans to absorb an additional $652,000,000 from within funds already available to the Department. The Committee agrees that the Department of Defense should absorb this amount, but expects the Department to follow normal reprogramming procedures before transferring these funds.

Military Personnel

The Committee recommends approval of the supplemental request of $260,800,000 in the military personnel appropriations for items such as subsistence, permanent change of station, special pays and allowances, and activation of the reserve components.

BASIC ALLOWANCE FOR SUBSISTENCE (BAS)

The Committee was concerned with the perception that troops deployed for Operation Desert Shield were having their pay reduced because of the loss of BAS. The Committee is pleased to learn that the Secretary of Defense has since decided to exercise his authority to pay all forces deployed for Operation Desert Shield an allowance called imminent danger pay. The Committee has added $20,200,000 to cover this allowance. Each service member will receive $110 per month while deployed, and this will restore the allowance lost because of their deployment.

OPERATION AND MAINTENANCE

The Committee recommends approval of the supplemental request of $1,327,663,000 in new appropriations and transfers of $75,037,000 from Procurement of Ammunition, Army, 1988/1990 to provide for OPTEMPO, transportation, in-country support costs, clothing and supplies, reserve component activation, and other deployment costs.

PROCUREMENT

AUTOMATIC BUILDING MACHINE SYSTEMS

The Committee noted on its recent inspection trip to the Persian Gulf that the host nation was making available presently unoccupied or underutilized facilities for our deployed forces. The Committee is concerned, however, that the available facilities are insufficient for the bedding down and maintenance of the large amounts of high value equipment being deployed. The Committee is further concerned that due to harsh environmental conditions, a lack of adequate maintenance facilities may cause a degradation in the operational readiness posture of our equipment.

Therefore, the Committee recommends an additional $10,000,000 in Other Procurement, Army, for automatic building machine systems and associated materiel. This will provide a capability for the rapid assembly of temporary structures which can be quickly assembled and subsequently disassembled once the operation is complete.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

UNRELATED MARROW DONOR PROGRAM

The Committee is aware of the existing threat to our troops in Operation Desert Shield from the potential use of chemical and biological warfare. Absorption into the blood stream of chemical and biological agents used in weapons, would have a devastating effect on human immunologic and blood clotting systems and could cause marrow suppression in any exposed troops. Platelet support would be necessary for any potential casualties and marrow support would be required for the most heavily exposed cases. Through the Navy's ongoing relationship with the National Marrow Donor Program, a system is in place to quickly identify matched donors to provide these casualties with platelet and marrow support.

The Committee has included $9,000,000 in this joint resolution to tissue type more than 50,000 Americans for their human leukocyte antigens (HLA). Of this amount, $6,500,000 shall be provided as a grant to the National Marrow Donor Program to expand the volunteer donor rolls of the national marrow registry. The remaining $2,500,000 should be used by the Navy Medical Research and Development Command to support and improve the large scale tissue typing of Department of Defense volunteers begun earlier this year. The Committee notes that, including Public Law 101-302, it has supported an increase of $15,000,000 in fiscal year 1990 for the unrelated marrow donor program, $11,000,000 of which will be provided to the National Marrow Donor Program Foundation.

Because of the urgent life-saving nature of this program the Committee identifies this program as a special interest. No funds may be reduced from this program without prior approval of Congress.

Defense Stock Fund

The Committee recommends $400,000,000 for the Defense Stock Fund instead of $300,000,000 in new appropriations and $100,000,000 in transfers from the National Defense Stockpile Transaction Fund as requested in the supplemental.

General Provisions

FEED AND FORAGE EXPENDITURES

The Committee recommends language which states that funds appropriated or otherwise made available in this title are available only for obligation and expenditure to liquidate obligations undertaken pursuant to section 3732 of the Revised Statutes (41 U.S.C. 11).

NATIONAL DEFENSE GIFT FUND

The Committee included a general provision which establishes a National Defense Gift Fund in order to accept gifts to help finance operations in and around the Arabian Peninsula. This fund would accept gifts which would then be transferred to defense appropriations accounts to only finance operations relating to Operation Desert Shield. The provision requires that subsequent appropriations acts be enacted allowing such transfers before these funds can be obligated or expended. The provision also requires the Secretary of Defense to submit monthly reports to Congress concerning the fund obligations and each report will be made available to the General Accounting Office for their review and audit. Lastly, the provision excludes the existing gift fund from receiving gifts or financing any operations relating to Operation Desert Shield.

CALL-UP AUTHORITY

The Committee applauds the Department for utilizing the authority of 10 U.S.C. 673b to call-up the Selected Reserves for Operation Desert Shield, but believes that the call-up should extend to combat units as well. For the last several years, the Congress has been appropriating substantial funds over and above the Depart-

ment's budget request for the reserve components. Operation Desert Shield appears to be an appropriate time to evaluate whether those additional funds have indeed improved readiness.

Therefore, the Committee has included language which provides the President authority to call-up the Selected Reserves in support of operations in and around the Arabian Peninsula and Operation Desert Shield for 180 days with an extension for an additional 180 days.

DEPARTMENT OF STATE

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

The Committee has recommended an appropriation of an additional $10,000,000 to the United States Emergency Refugee and Migration Assistance Fund. The additional fiscal year 1990 funding will help address drawdowns from the Fund associated with the unanticipated refugee needs created by the crisis in the Persian Gulf.

COMMITTEE ACTION AND VOTE

The resolution was ordered favorably reported by the Committee on September 25, 1990, by a rollcall vote of 32 Yeas and 20 Nays. A detailed voting record is available in the Committee office.

INFLATIONARY IMPACT STATEMENT

Clause 2(l)(4) of rule XI of the House of Representatives requires that each Committee report on a bill or resolution shall contain a statement as to whether enactment of such bill or resolution may have an inflationary impact on prices and costs in the operation of the national economy.

Since the rates prescribed by sections 101, 102, 103, and 104 of the accompanying joint resolution are restrictive in nature and fund Government programs at the lower of either: (1) the House or Senate passed bill rate; or (2) the level of the House passed bill or current rate; or (3) the current rate; or (4) a specific rate for Defense lower than last year's rate, the Committee believes that enactment of this joint resolution will have no significant inflationary impact on the national economy.

For the supplemental appropriations for fiscal year 1990, the Committee estimates that enactment of this resolution would have no overall inflationary impact on prices and costs in the operation of the national economy.

TRANSFER OF FUNDS

Pursuant to Clause 1(b), Rule X of the Rules of the House of Representatives, the following statements are made describing the transfers of funds provided in the accompanying bill:

Department of Defense—Military, Operation and Maintenance, Army, contains language which transfers $75,037,000 to Department of Defense—Military, Procurement of Ammunition, Army, 1988/1990.

Assistance to State and Local Governments

Section 308(a)(1)(D) of the Congressional Budget Act of 1974 requires that the report accompanying any bill or resolution providing new budget authority (other than continuing appropriations) shall contain a statement of the new budget authority and budget outlays provided by that bill or resolution for financial assistance to State and local governments.

The fiscal year 1990 supplemental appropriation amounts recommended in the accompanying bill contain no budget authority or budget outlays for State or local governments.

Changes in the Application of Existing Law

The Committee submits the following statements in compliance with Clause 3, Rule XXI of the House of Representatives, describing the effects of provisions proposed in the accompanying bill which may be considered, under certain circumstances, to change the application of existing law, either directly or indirectly.

Section 113 contains language suspending the implementation of any sequestration order pursuant to Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 until October 20, 1990.

Section 114 of the bill contains a provision that waives the conditions of Section 518 of the fiscal year 1990 Foreign Operations, Export Financing and Related Programs Act concerning Egypt. Section 114 waives, through December 31, 1990, the requirements of the "Brooke Alexander Amendment", prohibiting providing U.S. foreign assistance to a country that is more than one year in default on loan payments to the United States.

Section 115 provides that (1) for purposes of determining the amount of payment made to a hospital under Medicare for the operating costs of inpatient hospital services for discharges occurring on or after October 1, 1990, and on or before October 20, 1990, the Secretary of Health and Human Services, in adjusting such amount under section 1886(d)(3)(E) of the Social Security Act to reflect the relative hospital wage level in the geographic area of the hospital compared to the national average hosptial wage index, shall apply the area wage index applicable to such hospital as of September 30, 1990, and (2) the Secretary shall ensure that the total amount of payments made to hospitals under section 1886(d) of the Act for the operating costs of inpatient hospital services shall not be greater or less than those that would have been made had not section 1886(d)(1)(A)(iii) been amended by changing the ending discharge date from September 30, 1990, to October 20, 1990.

In Operation and Maintenance, Army, language is included which transfers $75,037,000 from Procurement of Ammunition, Army.

In Research, development, test, and evaluation, Army, $6,500,000 has been earmarked as a grant to the National Marrow Donor Program Foundation.

Section 201 has been added which states that funds appropriated or otherwise made available by this title are available only for obli-

gation and expenditure to liquidate obligations pursuant to section 3732 of the Revised Statutes (41 U.S.C. 11).

Section 202 has been added which establishes a National Defense Gift Fund and places certain restrictions and requirements on the administration of the Fund.

Section 203 has been added which provides authority for the President to call-up the Selected Reserve in support of operations in and around the Arabian Peninsula and Operation Desert Shield for 180 days with an extension for an additional 180 days.

Comparison With the Budget Resolution

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344, as amended) requires that the report accompanying a bill providing new budget authority contain a statement detailing how that authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This requirement does not apply to continuing appropriations but does apply to supplemental appropriations. The comparison for the supplemental fiscal year 1990 funds contained in this concurrent resolution is as follows:

[In millions of dollars]

	Amount remaining under sec 302(a)		This bill	
	Discretionary	Mandatory	Discretionary	Mandatory
Budget authority			2,037	
Outlays			1,665	
Direct loans	137			
Primary guarantees				

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended.

5-Year Projection

In compliance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), the following table contains 5-year projections associated with the budget authority provided in the accompanying bill:

[In millions]

Budget authority	2,037
Outlays:	
Fiscal year 1990	1,665
Fiscal year 1991	395
Fiscal year 1992	154
Fiscal year 1993	50
Fiscal year 1994 and future years	8

COMPLIANCE WITH HOUSE RULE XIII, CLAUSE 3

(RAMSEYER)

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (exiting law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

The accompanying joint resolution would amend section 1886(d)(1)(A)(iii) of the Social Security Act as follows:

> (iii) beginning on or after October 1, 1987, is equal to the national adjusted DRG prospective payment rate determined under paragraph (3) for such discharges, or, if the average standardized amount (described in clause (i)(I) or clause (ii)(I) of paragraph (3)(D)) for hospitals within the region of, and in the same rural, large urban, or other urban area as, the hospital is greater than the average standardized amount (described in the respective clause) for hospitals within the United States in that type of area for discharges occurring during the period beginning on April 1, 1988, and ending on [September 30, 1990,] *October 20, 1990,* the sum of (I) 85 percent of the national adjusted DRG prospective payment rate determined under paragraph (3) for such discharges, and (II) 15 percent of the regional adjusted DRG prospective payment rate determined under such paragraph.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL

H. Doc.	Department or activity	Budget estimates	Recommended in the bill	Bill compared with estimates
	CHAPTER I			
	DEPARTMENT OF DEFENSE - MILITARY			
	Military Personnel			
101-237	Military Personnel, Army	115,500,000	123,100,000	+7,600,000
101-237	Military Personnel, Navy	39,900,000	44,500,000	+4,600,000
101-237	Military Personnel, Marine Corps	29,300,000	33,700,000	+4,400,000
101-237	Military Personnel, Air Force	73,400,000	77,000,000	+3,600,000
101-237	Reserve Personnel, Army	2,700,000	2,700,000	---
	Total, Military Personnel	260,800,000	281,000,000	+20,200,000
	Operation and Maintenance			
101-237	Operation and Maintenance, Army	643,963,000	643,963,000	---
101-237	(By transfer)	(75,037,000)	(75,037,000)	---
101-237	Operation and Maintenance, Navy	279,400,000	279,400,000	---
101-237	Operation and Maintenance, Marine Corps	47,300,000	47,300,000	---
101-237	Operation and Maintenance, Air Force	320,300,000	320,300,000	---
101-237	Operation and Maintenance, Defense Agencies	18,200,000	18,200,000	---
101-237	Operation and Maintenance, Air Force Reserve	12,300,000	12,300,000	---
101-237	Operation and Maintenance, Air National Guard	6,200,000	6,200,000	---
	Total, Operation and Maintenance	1,327,663,000	1,327,663,000	---

	Procurement			
---	Other Procurement, Army	---	10,000,000	+10,000,000
	Research, Development, Test, and Evaluation			
---	Research, Development, Test, and Evaluation, Navy	---	9,000,000	+9,000,000
	Revolving and Management Funds			
101-237	Defense Stock Fund	300,000,000	400,000,000	+100,000,000
101-237	(By transfer)	(100,000,000)	---	(-100,000,000)
	Total, Chapter I:			
	New budget (obligational) authority	1,888,463,000	2,027,663,000	+139,200,000
	(By transfer)	(175,037,000)	(75,037,000)	(-100,000,000)
	CHAPTER II			
	FUNDS APPROPRIATED TO THE PRESIDENT			
	DEPARTMENT OF STATE			
---	United States Emergency Refugee and Migration Assistance Fund	---	10,000,000	+10,000,000
	Grand Total:			
	New budget (obligational) authority	1,888,463,000	2,037,663,000	+149,200,000
	(By transfer)	(175,037,000)	(75,037,000)	(-100,000,000)

ADDITIONAL VIEWS OF HON. SILVIO O. CONTE

During markup of this resolution, I had intended to offer the President's proposal to forgive $6.7 billion in outstanding Egyptian foreign military sales debt. However, I did not do so, after hearing the commitment of Foreign Operations Subcommittee Chairman Obey to work with the President toward resolving the Egyptian debt situation this year.

The amendment adopted in Committee to waive temporarily Brooke amendment sanctions will afford us the time to work with the President on language acceptable to all sides. But this must be viewed as just a temporary measure—we must act quickly on the President's request. Time is of the essence.

Let us remember foremost that this is a life and death issue for Eygpt and President Mubarak. We recall what happened to his predecessor, who risked—and lost—his life for peace in the region. And it is also a life and death issue for Egypt itself, a country with a fragile economy brought close to the brink of ruin by the financial pressures of the Iraqi invasion.

We must provide total support to Mr. Mubarak, who boldly and courageously has stood behind the United States. Who broke longstanding tradition and opened the Suez Canal to U.S. military ships?—President Mubarak. Who convened the Arab League and shepherded through a condemnation of Iraq's invasion?—President Mubarak. Who offered to provide 30,000 troops to join our effort in the Gulf?—President Mubarak.

Egypt has not wavered in its commitment to us, nor should we waver in our resolve to help them. President Bush has explained this quite eloquently in his letter to me last night:

THE WHITE HOUSE,
Washington, September 24, 1990.

Hon. SILVIO O. CONTE,
Ranking Minority Member, Committee on Appropriations,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN CONTE: Your support for unconditional Egyptian debt forgiveness and my legislative initiative is critical for two essential reasons. First, the maintenance of a strong and united Persian Gulf policy is in the U.S. national interest. Second, and more importantly, it will send the message that Egyptian President Mubarak's courageous acts, which are essential to the success of our policy, have the admiration and support of the United States.

Egypt has played a pivotal role since 1978 in the search for peace in the Middle East. It has kept the peace with Israel, despite a decade of hostility and ostracism from other Arab states. Under President Mubarak's leadership, Egypt has led the moderate Arab world as a counter to extremism in the region. And, Egypt has tire-

lessly sought ways to promote the peace process, including an Israeli/Palestinian dialogue.

In the wake of Iraqi aggression, Egypt spearheaded the Arab League's condemnation of the invasion, demand for an Iraqi withdrawal, and support for an Arab defense force. Egypt immediately committed substantial numbers of its own forces to Saudi Arabia, the first Arab state to do so. Egyptian leadership, with popular support from the Egyptian public (who constitute almost one-half the Arab world), has been crucial in preventing Saddam from turning this into an Arab-U.S. issue. I might add that, given its population and economic strength, Egypt's planned troop deployment will be comparable to our own.

Egypt has assumed enormous political, economic, and military risks by its actions. Mubarak's leadership role and prestige at home and within the Arab world are at stake. He needs clear, tangible support for his courageous and principled stand. Cancellation of Egypt's military debt is of enormous import to him, both politically and economically. Egypt's heavy debt burden is unsustainable—the more so with this crisis. Our support will reinforce Egypt's leadership, which must be maintained if our policy is to succeed. We are undertaking tremendous risks with our Persian Gulf policy; we need full Congressional support for all elements—and Egyptian debt forgiveness is a cornerstone of this endeavor.

Therefore, obtaining Congressional approval of my legislative initiative for Egypt's debt is essential to sustaining our Persian Gulf policy. I strongly urge you to support my legislative proposal as contained in the Desert Shield Supplemental Appropriations bill and to report it from Committee to enable your colleagues to consider it on the House floor.

Sincerely,

GEORGE BUSH.

The President's debt forgiveness package is an important foreign policy statement, a commitment we must honor, and honor this year. Our 150,000 troops in the Persian Gulf would expect no less of us. I urge that the Committee move quickly to approve the President's request for Egyptian loan forgiveness.

SILVIO O. CONTE.

ADDITIONAL VIEWS OF HON. BILL ALEXANDER

With President Bush's recent initiative to forgive approximately $7.5 Billion in debts owed to the United States for various foreign assistance programs, there is a renewed interest in delinquent foreign debt. Inasmuch as I authored the Alexander-Brooke Amendment which was successful after a five-year effort, it may be useful to review some of the history of the foreign debt collections for the benefit of the 101st Congress.

The following is a summary of relevant information relating to the Alexander-Brooke Amendment which was prepared this date by my staff:

1971–1972: As a member of the Subcommittee on Foreign Operations and Government Information of the House Committee on Government Operations, Congressman Alexander was active in the subcommittee's investigation of U.S. efforts to get more foreign nations to pay debts owed to the United States Government.

December, 1972: Congressman Alexander was a member of a congressional delegation which travelled to Western Europe, North Africa, the Near East and the Middle East investigating U.S. efforts to collect foreign debts owed to the U.S. Government.

1973: Due to continuing concern about the failure of the U.S. government to collect delinquent foreign debts, Congressman Alexander amended the foreign operations appropriations bill for Fiscal Year 1974 to include a sense of the Congress provision stating that the U.S. Government should collect foreign debts owed to it. The sense of the Congress provision stated:

> It is the sense of the congress that any country receiving assistance under the Foreign Assistance Act of 1961 which is in default, at least 90 days prior to the date of enactment of this Act, of any payment of principal or interest due on any loan or credit received from the United States shall promptly pay all such principal and interest. It is further the sense of the Congress that the President shall promptly enter into negotiations which each country to help effectuate the transfer by such country to the United States of goods, services, concessions or actions beneficial to the United States, in lieu of the payment of such principal and interest.

March 13, 1975: Dissatisfied with the U.S. government's response to the sense of the Congress provision on foreign debt collected contained in the FY 1974 appropriations law, Congressman Alexander offered an amendment to the Fiscal Year 1975 foreign aid appropriations law. The amendment language stated:

> . . . No funds made available under this Act may be obligated or expended for any country which is in default,

> for 90 days or more, or any payment of principal or interest due on any loan or credit received from the United States.

The amendment was opposed by the President and by the Chairman Otto Passman of the Foreign Operations Subcommittee of the Committee on Appropriations. The amendment failed on a division vote of 20 yes to 54 no.

March 4, 1976: Congressman Alexander offered the following amendment to the Fiscal Year 1976 foreign operations appropriations bill:

> SEC. 505. No part of any appropriation contained in this Act shall be available for obligation or expenditure for any country which, on the date of enactment of this section, has been in default, for one year or more, on any payment of principal or interest on any debt owed by that country to the United States, if such debt has not been disputed by that country prior to the enactment of this section.

The amendment passed on a roll call vote of 229 ayes to 139 noes.

June 25, 1976: The House considered the conference report on the Fiscal Year 1976 foreign operations appropriations bill. The conference report contained the following language:

> . . . No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act.

This language was the Senate version of the "limitation on assistance to countries in default" language. It was worked out in negotiations between Senator Edward Brooke (R–Mass.) and the Department of State in response to the Alexander Amendment adopted by the House on March 4, 1975. The language contained in the conference report is the "Alexander-Brooke Amendment".

Fiscal Years 1976–1990: The Alexander-Brooke Amendment was carried—essentially unchanged—in the foreign operations appropriations laws for each of these years.

June 21, 1990: The House Committee on Appropriations approved the recommendation of its Subcommittee on Foreign Operations to add the following proviso to the Alexander-Brooke Amendment language in Sec. 518 of H.R. 5114 providing foreign operations appropriations:

> . . . Provided, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available in this Act for any narcotics-related assistance to Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961, as amended, or the Arms Export Control Act.

This was the first significant waiver, proposed for inclusion in law, of the Alexander-Brooke Amendment.

June 27, 1990: The House of Representatives passed H.R. 5114 with the proviso in Sec. 518 concerning "narcotics-related assistance" to Colombia, Bolivia, and Peru.

September 25, 1990: The House Committee on Appropriations agreed, on a voice vote, to include in the Continuing Resolution being reported that day a waiver of the Alexander-Brooke Amendment language with regard to its application to Egypt. This action was taken instead of consideration of an amendment to the Continuing Resolution intended to authorize President Bush to "forgive" between $7.1 and $7.5 billion in military assistance debt owed to the United States by Egypt. Congressman Alexander supported the waiver for Egypt in recognition of the support Egypt was providing to the United States in connection with "Operation Desert Shield"—a military operation begun in August, 1990, in response to the invasion of Kuwait by Iraq.

This was the second time a significant waiver of the application of the Alexander-Brooke Amendment language was begun in the House.

COMPARING TOTAL FOREIGN DEBT OWED TO THE U.S. GOVERNMENT AND REPORTED DUE AND UNPAID 90 DAYS OR MORE BY THE DEPARTMENT OF THE TREASURY

Date	Amount (millions)	Percent change from June 30, 1974
June 30, 1974	$562.0	
December 31, 1980	980.4	74.4
December 31, 1989	4,620.5	722.1
March 31, 1990	4,477.3	696.7

Data sources: For June 30, 1974, Office of the Assistant Secretary for International Affairs, U.S. Department of the Treasury. For other years "Amounts Due and Unpaid 90 Days or More on Foreign Credits of the United States Government", quarterly reports issued by the Office of the Assistant Secretary for International Affairs, U.S. Department of the Treasury.

BILL ALEXANDER.

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